

MEMO

TO: Steve Battaglini
FROM: Mike Battaglini
RE: CM Emergency Cash System – Patent Application
DATE: August 25, 2000

Having devoted a considerable amount of time studying the patents located, by the Professional Patent Search, by patent attorney, Brian S. Steinberger, Esq., it is my opinion that we should proceed with the filing of a patent application. The following is the basis of my opinion.

There are a number of business method patents granted for inventions consisting of a process and a resulting improved service which, as specifically acknowledged in the Fleming patent, "... invention uses presently existing systems by extending and modifying their use."

It appears that all business process inventions, which deal with cash or credit, utilize pre-existing inventions and technology to accomplish a particular result, which is in some way different from or an improvement over other similar methods and results.

These patents all utilize, or involve the use of, a combination of some of the vast amount of technology and inventions in common use today including, one or more magnetic stripe or I.C. cards, card swipes, keyboards, ATM's, telephone or other existing transmission technology, computers, software, accounts, accounting systems, data storage systems, data processing systems, and the like.

Taskett (1999) invented a dual function card by combining a credit or debit card with a pre-paid phone card. Brake (2000) appears to obtain substantially the same result with a different proprietary system to implement the service. Taskett provides an easy transfer of funds from the credit or debit card function to the pre-paid phone card function. Brake provides for combining a credit card with a broader range of transaction cards but without Taskett's feature of an easy transfer from the transaction card to the pre-paid phone card incorporated. Though these patents are deceptively similar to each other, they are not in any way similar to the CM invention since they do not even contemplate the sending of cash to someone else.

Smorodinsky (1999) invented a system for paying bills by using computers previously intercoupled with each other for that purpose. Though it may utilize telephone lines or other technology in common with CM, it does not contemplate the sending of unplanned cash.

The balance of the patents also utilizes technology in common with CM's invention and in common with each other. However, they all require physical presence to pre-establish an account. Most employ a two or more card system, with at least one pre-established "dominant account" and one or more pre-linked "sub-accounts" to which funds can be transferred. Dethloff (1989) purports to provide a method to permit limited use of the "sub-account". Brody (1994) provides for a "dominant" charged card obtained from a "sponsor" chain. Fleming (1999) is very similar but appears to claim a greater degree of control by the "parent card" over the pre-linked "child's card". Picciallo (3/2000) again requires a pre-established account which can transfer funds to a pre-linked account and card. Pieterse provides a rather complicated charged card system which requires special devices, and which, in common with the prior patents, requires pre-use implementation.

All of the patents analyzed and discussed utilize technology in common with CM and each other. Some are very similar to each other in the result obtained. However each has invented what the patent office decided was a "... new and useful process... or any new and useful improvement thereof."

The CM business method process invention utilizes some presently existing systems, in a unique proprietary sequence, and integrates these technologies with it's own proprietary technology, like Fleming, to "...extend and modify their use" to create a unique emergency cash electronic system.

The CM system creates a "new and useful process" for sending unplanned emergency cash to someone. The process for sending cash from the consumer's home, without pre-arrangement is unique to CM. CM will act as an escrow agent, and automatically and simultaneously transfer the sent funds to a secure bank escrow account for payment through any ATM with any CM card.

Reports captioned, "CM Invention: Features and Claims", the individual patent comparisons, "CM Substantial Differences and Improvements Over Prior Art," and "CM Invention: Exclusive Distinguishing Features and Claims" should be considered a part of this memo.

The CM system invented appears to create a new and useful process for sending someone unplanned emergency cash. It is my considered opinion that the invention is a new, useful, substantial and non-obvious improvement over prior art such that the patent office will grant the invention a patent. I recommend that a patent application be filed ASAP.

Michael D. Battaglini